

# Record Retention Guidelines

for businesses and not-for-profit organizations



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### **Retention Period of One Year**

- Purchase orders (except purchasing department copy)
- Receiving sheets
- Requisitions

### **Retention Period of Three Years**

- Contractors' payroll information, from date of completion of contract
- Correspondence with customers or vendors
- Employment applications, for applicants not hired
- Internal reports (miscellaneous)
- Physical inventory documentation
- Tip reporting and tip substantiation documents

### **Retention Period of Four Years**

- Payroll registers
- Sick pay, vacation pay and PTO documentation

### **Retention Period of Five Years**

- Employee benefits records, including life insurance benefits, dental benefits and garnishments

### **Retention Period of Seven Years**

- Accident reports and claims, for settled cases
- Accounts receivable aging reports, ledgers and invoices
- Accounts payable ledgers and schedules
- Bank statements and reconciliations
- Budgets
- Cash slips, charge slips, expense report and petty cash records
- Deposit slips, bank
- Inventories of products, materials and supplies
- Invoices to customers and invoices from vendors
- Notes receivable ledgers and schedules
- Personnel records of terminated employees
- Purchase orders, purchasing department copies
- Sales records
- Scrap and salvage records, including those pertaining to inventories and sales
- Voucher registers and schedules
- Vouchers for payments to vendors, contractors and employees, including allowances and reimbursements for travel and entertainment expenses of employees and officers

## **Retention Period of Ten Years**

- Canceled checks (Note the exception below, for which a permanent retention period applies)
- Contracts and leases that have expired
- Insurance policies that have expired
- Payroll records and summaries, including payments to former employees based on termination date

## **Permanent Retention Period**

- Annual reports
- Audit reports, internal and external
- Capital stock and bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options
- Canceled checks for important payments, such as taxes, purchases of property, and special contracts. These checks should be filed with the papers pertaining to the underlying transaction.
- Charts of accounts
- Contracts and leases that are still in effect
- Corporate documents, including articles of incorporation, bylaws and charter, minute books of directors and stockholders, board and committee communications, initial property transfers from incorporators
- Correspondence relating to legal and important matters
- Deeds, mortgages, title papers, bills of sale
- Depreciation schedules
- Dividend register and canceled dividend checks
- Financial statements, end-of-year (and, optionally, monthly statements)
- General and subsidiary ledgers and end-of-year trial balances
- Insurance records, current accident reports, claims and policies
- Investments: security and asset acquisition records
- Journals and journal entries
- Patent records
- Partnership agreements
- Property records—including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints, and plans
- Stock and bond certificates (canceled) and option agreements
- Tax returns and worksheets, revenue agents' reports, and other documents relating to the determination of your various federal, state and local tax liabilities
- Trademark registrations
- W-2 forms

**Disclaimer**

The suggested retention periods in this document are provided as general guidelines only.

Record retention requirements are established by a number of regulatory and legal authorities, including Internal Revenue Service regulations, the U.S. Treasury Department's Materiality Rule, the Sarbanes-Oxley Act, and state and local law.

Although we make every effort to ensure the accuracy of this information, Bader Martin is not responsible for misinterpretations, errors or omission. Nor are we responsible for its applicability to your specific situation.